

# **FISCAL NOTE**

## **SB 2683 - HB 2851**

February 3, 1998

**SUMMARY OF BILL:** Creates a franchise tax credit of the lower of \$2,000 or 10% of the wages earned by each apprentice employed, for those entities operating an apprenticeship program certified by the Bureau of Apprenticeship and Training (US Department of Labor). Any unused credit may be carried over for two years. The tax credit provided shall apply to tax years beginning January 1, 1997.

### **ESTIMATED FISCAL IMPACT:**

**Increase State Expenditures - \$32,700 One-Time**

**Decrease State Revenues - Exceeds \$5,000,000 One-Time  
Exceeds \$1,000,000 Recurring**

Estimate assumes a one-time cost to the Department of Revenue for changes to the computer system.

Assumes that approximately half of the 5,400 currently registered apprentices work in businesses eligible for the credit, and that the credit would be taken for the full \$2,000 for each apprentice for calendar year 1997. It also assumes that there would be approximately 600 new apprentices each year in such eligible businesses.

### **CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director

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